

Message Text

CONFIDENTIAL

PAGE 01 SAN JO 03701 01 OF 02 292238Z

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 PA-01 PRS-01 USIE-00 AGR-05 SSO-00

INRE-00 SS-15 NSCE-00 NSC-05 SP-02 /059 W

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O R 292155Z AUG 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC IMMEDIATE 1325

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L SECTION 1 OF 2 SAN JOSE 3701

E.O. 11652: GDS

TAGS: ELAB, CS

SUBJECT: SITRADIQUE SIGNS CONTRACT WITH UNITED BRANDS

REF: SAN JOSE 3606 AND 3621; STATE 206041

1. BEGIN SUMMARY: THE DEMOCRATIC AFRICAN PALM WORKERS IN QUEPOS (SITRADIQUE) SUCCEEDED IN SIGNING A CONTRACT AUGUST 27 WITH UNITED BRANDS WITHOUT ADMITTING THE COMMUNIST UNION INTO THE CONTRACT NEGOTIATIONS. DESPITE HOPES ON THE PART OF THE GOCR THAT THIS SUCCESS WOULD END THE COMMUNIST-LED STRIKE AND COOL TENSIONS BETWEEN THE TWO UNIONS, BOTH THE STRIKE AND THE TENSIONS CONTINUE. IN EARLY MORNING HOURS AUGUST 29, EIGHT STRIKERS AND ONE GUARDIA WERE INJURED IN CLASH AND 30 STRIKERS WERE JAILED. END SUMMARY

2. ON AUGUST 27, AT 1:30 A.M., SITRADIQUE (AFRICAN PALM WORKERS) AFFILIATED WITH THE CCTD, SIGNED THE CONTRACT WITH UNITED BRANDS IN QUEPOS, THAT HAD BEEN THE SOURCE OF THE TENSIONS OF THE
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PAGE 02 SAN JO 03701 01 OF 02 292238Z

LAST TWO WEEKS (SEE REFTELS). THE NEW

CONTRACT WHICH GRANTS AN APPROXIMATE 30-PERCENT SALARY INCREASE PLUS NEW BENEFITS WILL NOW BE SUBMITTED TO THE MINISTRY OF LABOR FOR LEGAL AND TECHNICAL APPROVAL.

3. A HIGH-PLACED GOVERNMENT OFFICIAL TOLD THE EMBASSY AUGUST 27 THAT WITH THE SIGNING OF THE CONTRACT, STAPQ WAS EXPECTED TO END ITS STRIKE WHICH HAS VIRTUALLY STOPPED ALL UB OPERATIONS IN QUEPOS. THIS SOURCE STATED THAT THE COMMUNIST UNION NOW HAS A MAJORITY OF THE WORKERS SUPPORTING THEM AND COULD CHALLENGE THE ALREADY SIGNED CONTRACT THROUGH LEGAL MEANS. THE SOURCE ADDED THAT STAPQ PICKED UP THIS NEW MAJORITY DURING THE CRISIS NOT SO MUCH BY PRESSURES AND THREATS AS BY HARD WORK AND BY CONSTANT PLAYING ON THE THEME THE SITRADIQUE IS A "COMPANY UNION;" AGAINST THE BACKDROP OF BAD, LONG-STANDING COMPANY IMAGE IN QUEPOS.

4. ACCORDING TO ANOTHER SOURCE, HOWEVER, MINISTER OF LABOR MORALES CALLED ON MANUEL MORA, HEAD OF THE COMMUNIST PARTY (PVP), AUGUST 27 TO ASK THAT THE STRIKE BE ENDED WITH A PROMISE THAT THE MINISTRY OF LABOR WOULD CALL A PLEBISCITE OF THE UB WORKERS TO DETERMINE WHICH UNION HAS THE MAJORITY EIGHT DAYS AFTER THE STRIKE ENDS. MORA REPORTEDLY REJECTED MORALES' OFFER. THE PRESS OF AUGUST 28 CARRIED QUOTES BY GCT LEADERS THAT THE STRIKE WOULD BE EXTENDED TO THE BANANA PLANTATIONS.

5. IN THE LATE AFTERNOON OF AUGUST 28, UB INFORMED THE EMBASSY THAT THE STRIKE WAS STILL IN EFFECT AND THAT FEW WORKERS HAD RETURNED TO WORK-MORE THAN HAD WORKED BEFORE THE CONTRACT WAS SIGNED BUT STILL "MUCH LESS THAN HALF." UB ALSO TOLD THE EMBASSY THAT THE RURAL GUARD HAD BEEN FURTHER REINFORCED DURING THE DAY IN KEY LOCATIONS IN EXPECTATION OF FURTHER TROUBLE.
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PAGE 03 SAN JO 03701 01 OF 02 292238Z

6. IN EARLY MORNING HOURS AUGUST 29, CLASH BETWEEN RURAL GUARD AND STRIKERS TOOK PLACE NEAR ONE OF UB'S PROPERTIES. ACCORDING TO REPORTS REACHING SAN JOSE, EIGHT STRIKERS AND ONE GUARDSMAN WERE INJURED, AND 30 STRIKERS JAILED. TEAR GAS WAS EMPLOYED BY THE GUARD. MINISTER OF GOVERNMENT ARROYO HAS PUBLICLY DEFENDED MEASURES GUARDIA TOOK

WHICH, HE STATED AUGUST 29, WERE IN RESPONSE TO PROVOCATION WITH STICKS AND STONES BY A GROUP OF STRIKERS. MINISTER OF GOVERNMENT ALSO DECLARED GOCR WOULD GUARANTEE RIGHT TO WORK AND ENFORCEMENT OF THE LAW IN QUEPOS. ON AUGUST 27 (PRIOR TO VIOLENCE), ACTING PRESIDENT CASTILLO ALSO PROMISED GOVERNMENT WOULD MAINTAIN ORDER.

7. UNCONFIRMED RADIO REPORTS MID-DAY AUGUST 29 ARE THAT ABOUT HALF OF LABOR FORCES IN QUEPOS HAS RETURNED TO WORK.

8. COMMENT: ON SURFACE IT APPEARS THE GOVERNMENT HAS TAKEN THE HARD DECISION TO MAINTAIN ORDER IN QUEPOS AND, BY DOING SO, TO THWART COMMUNIST POWER PLAY. AT SAME TIME, NOT ALL CARDS HAVE BEEN PLAYED BY PARTICIPANTS. STILL TO BE DETERMINED ARE:

A. IF THE CGT WILL MAINTAIN THE STRIKE IN QUEPOS, HOW SUCCESSFUL IT WILL BE, AND IF CGT WILL PROVOKE NEW INCIDENTS.

B. IF MINISTRY OF LABOR WILL AUTHORIZE CONTRACT SIGNED BETWEEN SITRADIQUE AND UB, AND IF NOT, WHETHER OR NOT POLL OF WORKERS TO DETERMINE THEIR AFFILIATION (AND WHO WILL NEGOTIATE A NEW CONTRACT) WILL BE TAKEN. THERE NOW SEEMS TO BE A REAL QUESTION AS TO WHICH GROUP IS MAJORITY IN QUEPOS.

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PAGE 01 SAN JO 03701 02 OF 02 292249Z

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C O N F I D E N T I A L SECTION 2 OF 2 SAN JOSE 3701

C. HOW THE CCTD WOULD REACT TO SUCH A MEASURE.
IN PAST TWO DAYS, CCTD HAS MANAGED TO GET SOME MEDIA,
ESPECIALLY RADIO, TO DWELL ON ATTEMPTED COMMUNIST
TAKEOVER THEME.

9. ONE HIGH GOCR SOURCE CLAIMS THAT CCTD WILL
HAVE TO WRITE QUEPOS OFF TO THE COMMUNISTS.
CGT IS PUBLICLY BEATING DRUM FOR MINISTRY OF LABOR
TO POLL WORKERS; CCTD STANDS BY THE CONTRACT.
MINISTRY WILL SOON HAVE TO TAKE A STAND; ITS
NEUTRALITY SO FAR HAS INCURRED WRATH OF BOTH SIDES--
AND RAISED TALK OF AN INEFFECTUAL MINISTER OF LABOR.

10. RE PARAGRAPH 2 OF STATE 20461, CURRENT CCTD
LEADERSHIP LEAVES MUCH TO BE DESIRED FOR PLN GOVERNMENT.
NOT ONLY ARE THEY LIGHTWEIGHTS, BUT ALSO, EDUARDO IRIAS,
SECRETARY-GENERAL OF THE CCTD, IS A CALDERONISTA.
A LOSS BY CURRENT CCTD LEADERSHIP TO CGT IN QUEPOS
WOULD PROVOKE A THOROUGH CCTD HOUSECLEANING, WHICH,
THE EMBASSY HAS ON AUTHORITY, THE GOVERNMENT WOULD LIKE TO SEE.
HOWEVER, SOME OF THE GOVERNMENT'S FAIR-HAIRED UNION LEADERS ARE
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PAGE 02 SAN JO 03701 02 OF 02 292249Z

INVOLVED IN NAME OF CCTD IN QUEPOS NEGOTIATIONS (GUTIERREZ AND
NUNEZ). THROWING THEM OUT WITH THE CCTD BATH WATER,
PLUS SOME FOCUSING ON WHAT COMMUNIST INROADS REALLY
MEAN ON THE PACIFIC COAST, HAVE UNDOUBTEDLY GIVEN THE
GOVERNMENT CAUSE FOR PAUSE.
TODMAN

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